Goodness For Import And Export v Phillip Morris Brands Sarl

FEDERAL COURT (PUTRAJAYA) — CIVIL APPEAL NO 02(i)-54–08 OF 2013(W)

RICHARD MALANJUM CJ (SABAH AND SARAWAK), AHMAD MAAROP, HASAN LAH, ABU SAMAH NORDIN AND RAMLY ALI FCJJ

27 JUNE 2016

Civil Procedure — Setting aside — Application to set aside writ of summons and statement of claim — Jurisdiction — First defendant was foreign entity — Whether High Court in Malaysia had jurisdiction to deal with action instituted by plaintiff — Whether plaintiff obtained leave for service out of jurisdiction — Whether failure to obtain leave fatal — Whether s 23(1) of the Courts of Judicature Act 1964 conferred extra-territorial jurisdiction on High Court independently of O 11 of the Rules of Court 2012 — Whether s 23(1) of the Courts of Judicature Act 1964 applied to present case — Whether plaintiff's causes of action arose within Malaysia — Whether goods in transit and there was no importation of cigarettes into Malaysia — Whether cigarettes become uncustomed goods and thus no longer goods in transit — Forum conveniens — Whether High Court in Malaysia had forum conveniens to try present case — Whether Malaysia is forum where action in this case had most real and substantial connection

On 19 December 2011, the Royal Malaysia Customs ('the RMC') detained and searched 12 containers on board a vessel berthed at Port Klang. The RMC's search revealed that ten out of the 12 containers detained contained 'MALIMBO' branded cigarettes and not 'Omani Marble' as declared. The 'MALIMBO' branded cigarettes had been transhipped from Vietnam through Penang Port and were to be shipped from Port Klang onwards to Egypt. The RMC seized the containers containing the MALIMBO cigarettes for investigation for an offence of fraudulent evasion or attempted fraudulent evasion of custom duty under s 135(1)(g) of the Customs Act 1967 ('the Act'). Goodness For Import And Export, the appellant/first defendant ('the first defendant'), a company incorporated in Egypt, was the consignor and/or beneficial owner of the containers containing the MALIMBO cigarettes. The second and third defendants were the consignees of the containers containing the MALIMBO cigarettes, while the fourth and fifth defendants were the shipping agents of the said containers. Pursuant to its investigation, the RMC offered a compound of RM30,000 for an offence of making false declaration under s 133(1)(a) of the Act. On 25 September 2012 Phillip Morris Brands SARL, the plaintiff/respondent ('the plaintiff'), which was at all material times the registered proprietor of the MARLBORO trademarks for tobacco, raw and other tobacco products, filed a writ of summons and statement of claims

against the first to the fifth defendants in the High Court of Malaya. The plaintiff's action was based principally on trademark infringement and passing off. The plaintiff claimed that it had the exclusive right to use the MARLBORO marks in relation to cigarettes and that the defendants had, without authority or consent or licence of the plaintiff used the MALIMBO mark, which was identical with the MARLBORO marks to deceive or cause confusion in the course of trade in relation to cigarettes. The plaintiff also argued that the defendants unauthorised use of the MALIMBO mark, which so closely resembled the MARLBORO marks, had constituted passing off the MALIMBO cigarettes as products of the plaintiff. In response the first defendant submitted that the brand name of MALIMBO cigarettes was registered in the United Arab Emirates and cigarettes had been sold freely in the Middle East and some Northern African States as well as in Egypt itself, where the first defendant office was situated. It was also the first defendant's case that there was no importation of the containers containing the MALIMBO cigarettes into Malaysia, and that the goods were at all material times in transit. In the meantime, the plaintiff applied for and obtained an injunction to prevent any dealing with the ten containers of MALIMBO cigarettes or any other property of the first defendant until the hearing of the plaintiff's action against the defendants. The first defendant then filed an application to, inter alia, set aside the plaintiff's writ and statement of claim pursuant to O 12 r 10 of the Rules of Court 2012 ('the ROC') and s 23 of the Courts of Judicature Act 1964 ('the CJA'). The first defendant's argument was that in the circumstances of the case the High Court had no jurisdiction over the first defendant in respect of the subject matter of the claim. The High Court judge agreed with the first defendant, allowed the application and ordered, inter alia, the setting aside of the writ against the first defendant and the release of the containers of the MALIMBO cigarettes held by RMC as a result of the injunction. The plaintiff appealed to the Court of Appeal, which reversed the decision of the High Court. The first defendant has since obtained the leave of this court to proceed with the present appeal. The first defendant contended that that the court could only obtain jurisdiction if leave to serve the writ outside jurisdiction had been granted by the court under O 11(1) of the ROC. Since in this case no leave as such was obtained, the first defendant submitted that the court had no jurisdiction to deal with the action. Further, the first defendant submitted that Malaysia was not the *forum conveniens* to adjudicate the matter.

Held, dismissing the appeal with costs:

(1) Although the first defendant was a foreign entity, the High Court judge had erred in holding that the High Court had no jurisdiction over the first defendant unless the leave of court had been applied for and granted, or the first defendant had submitted to the High Court's jurisdiction. In Malaysia, O 11 of the ROC conferred jurisdiction on the High Court and the conferment of such jurisdiction was implicit in connection with

the granting of leave by the High Court for service out of jurisdiction. However, O 11 of the ROC was not the only source which conferred jurisdiction on the High Court. It is settled law that s 23(1) of the CJA also conferred extra-territorial jurisdiction on the High Court, independently of O 11 of the ROC. In the present case, the High Court judge erred in failing to consider whether s 23(1) of the CJA conferred jurisdiction on the High Court to deal with the action filed by the plaintiff (see paras 27–28 & 30).

(2) In determining whether s 23(1) of the CJA applied to the present case the plaintiff's allegations in the statement of claim should be assumed to be true. In the present case, the plaintiff's statement of claim disclosed that the plaintiff's action was based principally on trademark infringement and passing off. If either of these causes of actions arose within Malaysia, then under s 23(1)(a) of the CJA the Malaysian court should have jurisdiction to deal with the action. In addition to or alternatively, if the facts on which the proceedings were based in this case, occurred within Malaysia, then pursuant to s 23(1)(c) of the CJA, the Malaysian court should have jurisdiction to try the proceedings (see paras 31–33).

(3) The thrust of the first defendant's case was that there was no importation of the MALIMBO cigarettes into Malaysia, and that the goods were at all material times in transit, whereas it was the plaintiff's case that the MALIMBO cigarettes were not in transit and had been imported into Malaysia. In the present case, the MALIMBO cigarettes were brought into Malaysia by sea. However, goods in transit should not be deemed to be imported unless the goods became uncustomed goods. Under s 2 of the Act, 'uncustomed goods' means goods in respect of which a breach of the provision of this Act or of any subsidiary legislation made thereunder has been committed. In the present case, the first defendant had paid a compound offered by the RMC for an offence of making false custom declaration under s 133(1)(a) of the Act, in respect of the MALIMBO cigarettes. If that is accepted as a breach of the provisions of the Customs Act 1967, then applying the definition of 'uncustomed goods' under s 2 of the Act, the MALIMBO cigarettes had become uncustomed goods, and consequently therefore, they were no longer goods bona fide in transit, but were imported goods. Alternatively, the goods could be deemed to be uncustomed goods under s 45 of the Act, ie if goods were found by a proper officer of customs in any vessel in territorial waters as not correctly accounted for then such goods should be deemed to be uncustomed goods. Prima facie the facts of the present case came within the ambit of s 23(1)(a) and/or s 23(1)(c) of the CJA. Consequently, the High Court in Malaysia had jurisdiction to try the proceedings in this case (see paras 50–54).

(4) Those questions material to the infringement of trademark cause of action and passing off cause of action as pleaded by the plaintiff were matters to be resolved at the trial by the trial court after hearing all the relevant viva voce evidence (see para 53).

(5) The circumstances relating to the presence of the MALIMBO cigarettes in Malaysia were governed by Malaysian law. Witnesses who would be able to provide the evidence on those facts, which were central to the case, in particular with regards to question of whether the cigarettes were in transit as opposed to being imported into Malaysia were primarily the officers at the RMC and officers of the port authorities at Port Klang. In addition, the first defendant was sued along with four other defendants which were Malaysian companies. In the trial, officers of these other defendants may need to be called as witnesses. In the light of all these, it appears that Malaysia is the forum where the action in this case had the most real and substantial connection. In the circumstances 'it would be unjust to the plaintiff to confine it to remedies elsewhere'. In any case, the first defendant had not proven that 'some other forum was more appropriate'. In the circumstances, Malaysia was the appropriate forum to adjudicate the present case and the High Court judge had erred in ruling that the High Court of Malaya was not the forum conveniens to try the present case (see paras 55–58).

[Bahasa Malaysia summary

Pada 19 Disember 2011, Kastam DiRaja Malaysia ('KDRM') telah menahan dan membuat carian ke atas 12 kontena di atas kapal laut yang berlabuh di Port Klang. Carian KDRM mendedahkan sepuluh daripada 12 kontena yang ditahan mengandungi rokok berjenama 'MALIMBO' dan bukan 'Omani Marble' seperti yang dinyatakan. Rokok jenama 'MALIMBO' telah dipindah kapal dari Vietnam melalui Pelabuhan Klang dan adalah untuk dihantar dari Port Klang seterusnya ke Mesir. KDRM telah merampas kontena-kontena yang mengandungi rokok MALIMBO itu untuk siasatan kerana kesalahan pengelakan secara fraud atau cubaan pengelakan secara fraud duti kastam di bawah s 135(1)(g) Akta Kastam 1967 ('Akta'). Goodness For Import And Export, perayu/defendan pertama ('defendan pertama'), sebuah syarikat yang diperbadankan di Mesir, ialah pengirim dan/atau pemilik benefisial kontena yang mengandungi rokok MALIMBO itu. Defendan-defendan kedua dan ketiga ialah penerima barang daripada kontena yang mengandungi rokok MALIMBO itu manakala defendan-defendan keempat dan kelima adalah agen perkapalan bagi kontena itu. Menurut siasatan, KDRM telah ditawarkan kompaun sebanyak RM30,000 bagi kesalahan membuat pengisytiharan palsu di bawah s 133(1)(a) Akta tersebut. Pada 25 September 2012 Phillip Morris Brands SARL, plaintif/responden ('plaintif tersebut'), yang mana pada setiap masa matan ialah pemilik berdaftar tanda dagang MARLBORO untuk tembakau, produk-produk tembakau mentah dan lain-lain, telah memfailkan

satu writ saman dan penyataan tuntutan terhadap defendan-defendan pertama hingga kelima di Mahkamah Tinggi Malaya. Tindakan plaintif adalah berasaskan terutamanya atas pelanggaran dan kelirupaan tanda dagang. Plaintif telah mendakwa bahawa ia mempunyai hak eksklusif untuk menggunakan tanda MARLBORO berkaitan dengan rokok-rokok dan bahawa defendan-defendan telah, tanpa kuasa atau persetujuan atau lesen plaintif menggunakan tanda MARLBORO itu, yang serupa dengan tanda MARLBORO untuk menipu atau menyebabkan kekeliruan sepanjang dagangan berkenaan rokok tersebut. Plaintif juga berhujah bahawa defendan-defendan telah menggunakan tanpa kebenaran tanda MALIMBO itu, yang hampir serupa dengan tanda MARLBORO, yang merupakan kelirupaan rokok MALIMBO sebagai produk plaintif. Sebagai jawapan defendan pertama telah berhujah bahawa jenama rokok MALIMBO itu telah didaftarkan di United Arab Emirates dan rokok telah dijual secara bebas di Timur Tengah dan beberapa negara Afrika Utara dan juga di Mesir sendiri, di mana pejabat defendan pertama terletak. Ia juga merupakan kes defendan pertama bahawa tidak ada pengimportan kontena yang mengandungi rokok MALIMBO ke Malaysia, dan barang-barang itu pada setiap masa dalam transit. Sementara itu, plaintif telah memohon untuk dan memperoleh satu injunksi bagi mengelak apa-apa urusan dengan sepuluh kontena rokok MALIMBO atau apa-apa harta lain defendan pertama sehingga perbicaraan tindakan plaintif terhadap defendan-defendan. Defendan pertama kemudian telah memfailkan permohonan untuk antara lain mengetepikan writ dan penyataan tuntutan plaintif menurut A 12 k 10 Kaedah-Kaedah Mahkamah 2012 ('KM') dan s 23 Akta Mahkamah Kehakiman 1964 ('AMK'). Hujah defendan pertama adalah bahawa dalam keadaan kes tersebut Mahkamah Tinggi tidak mempunyai bidang kuasa ke atas defendan pertama berkaitan hal perkara tuntutan itu. Hakim Mahkamah Tinggi bersetuju dengan defendan pertama, membenarkan permohonan itu dan memerintahkan, antara lain, penepian writ itu terhadap defendan pertama dan melepaskan kontena-kontena rokok MALIMBO yang ditahan oleh KDRM akibat injunksi tersebut. Plaintif telah merayu kepada Mahkamah Rayuan, yang mengakas keputusan Mahkamah Tinggi. Defendan pertama telah pun memperoleh kebenaran mahkamah ini untuk meneruskan dengan rayuan ini. Defendan pertama berhujah bahawa mahkamah tersebut hanya boleh mempunyai bidang kuasa jika kebenaran untuk menyampaikan writ di luar bidang kuasa telah diberikan oleh mahkamah di bawah A 11(1) KM. Oleh kerana dalam kes ini tiada kebenaran sebegitu diperolehi, defendan pertama berhujah bahawa mahkamah tersebut tidak mempunyai bidang kuasa untuk mengendalikan tindakan itu. Selanjutnya, defendan pertama berhujah bahawa Malaysia bukan *forum conveniens* utuk mengadili perkara tersebut.

Diputuskan, menolak rayuan dengan kos:

(1) Walaupun defendan pertama merupakan entiti asing, hakim Mahkamah

Tinggi telah terkhilaf dalam memutuskan yang Mahkamah Tinggi tiada bidang kuasa ke atas defendan pertama kecuali kebenaran mahkamah telah dipohon dan diberikan, atau defendan pertama telah tertakluk kepada bidang kuasa Mahkamah Tinggi. Di Malaysia, A 11 KM memberikan bidang kuasa ke atas Mahkamah Tinggi dan pemberian bidang kuasa sebegitu mutlak berkaitan pemberian kebenaran oleh Mahkamah Tinggi untuk penyampaian di luar bidang kuasa. Walau bagaimanapun, A 11 KM bukan satu-satunya sumber yang memberikan bidang kuasa ke atas Mahkamah Tinggi. Ia adalah undang-undang nyata bahawa s 23(1) AMK juga memberikan bidang kuasa wilayah tambahan ke atas Mahkamah Tinggi, berasingan dengan A 11 KM. Dalam kes ini, hakim Mahkamah Tinggi terkhilaf kerana gagal mengambil kira sama ada s 23(1) AMK memberikan bidang kuasa ke atas Mahkamah Tinggi untuk mengendalikan tindakan yang difailkan oleh plaintif (lihat perenggan 27–28 & 30).

(2) Dalam menentukan sama ada s 23(1) AMK terpakai kepada kes ini pengataan plaintif dalam penyataan tuntutan patut dianggap sebagai yang benar. Dalam kes ini, penyataan tuntutan plaintif menunjukkan bahawa tindakan plaintif adalah berdasarkan terutamanya atas pelanggaran tanda dagangan dan kelirupaan. Jika mana-mana kausa tindakan tersebut timbul dalam Malaysia, maka di bawah s 23(1)(a) AMK mahkamah Malaysia patut mempunyai bidang kuasa untuk mengendalikan tindakan sedemikian. Tambahan pula atau secara alternatif, jika fakta yang mana prosiding itu berasaskan dalam kes ini, telah berlaku dalam Malaysia, maka menurut s 23(1) AMK, mahkamah Malaysia patut mempunyai bidang kuasa untuk membicarakan prosiding tersebut (lihat perenggan 31–33).

(3) Teras kes defendan pertama adalah bahawa tidak terdapat pengimportan rokok MALIMBO ke dalam Malaysia, dan bahawa barangan itu pada setiap masa matan dalam transit, manakala ia adalah kes plaintif bahawa rokok MALIMBO itu bukan dalam transit dan telah diimport ke Malaysia. Dalam kes ini, rokok MALIMBO itu telah dibawa ke Malaysia melalui laut. Walau bagaimanapun, barangan dalam transit tidak boleh dianggap telah diimport kecuali jika barangan itu menjadi barangan yang tidak melalui kastam. Di bawah s 2 Akta tersebut, 'uncustomed goods' bermaksud barangan berkaitan dengan pelanggaran peruntukan Akta tersebut atau mana-mana perundangan subsidiari yang digubal di bawahnya yang telah berlaku. Dalam kes ini, defendan pertama telah membayar kompaun yang ditawarkan oleh KDRM untuk kesalahan membuat pengisytiharan kastam yang palsu di bawah s 133(1)(a) Akta tersebut, berkaitan rokok MALIMBO itu. Jika itu diterima sebagai pelanggaran peruntukan Akta Kastam 1967, maka dengan memakai takrif 'uncustomed goods' di bawah s 2 Akta tersebut, rokok MALIMBO telah menjadi barangan yang tidak melalui kastam, dan akhirnya, ia

bukan lagi barangan *bona fide* dalam transit, tetapi barangan import. Secara alternatif, barangan itu boleh dianggap barangan yang tidak melalui kastam di bawah s 45 Akta, iaitu jika barangan itu ditemui oleh pegawai kastam dalam mana-mana kapal di perairan wilayah sebagai tidak diambil kira pada masa itu barangan tersebut hendaklah dianggap barangan yang tidak melalui kastam. Prima facie fakta kes ini adalah dalam skop s 23(1)(a) dan/atau s 23(1)(c) AMK. Akibatnya, Mahkamah Tinggi di Malaysia mempunyai bidang kuasa untuk membicarakan prosiding dalam kes ini (lihat perenggan 50–54).

(4) Persoalan yang penting kepada pelanggaran kausa tindakan tanda dagangan dan kausa tindakan kelirupaan sebagaimana dipli oleh plaintif merupakan perkara-perkara yang perlu diselesaikan semasa perbicaraan oleh mahkamah perbicaraan selepas mendengar semua keterangan *viva voce* yang relevan (lihat perenggan 53).

(5) Keadaan yang berkaitan kewujudan rokok MALIMBO di Malaysia dikawal oleh undang-undang Malaysia. Saksi-saksi yang boleh memberi keterangan berhubung fakta tersebut, yang penting kepada kes tersebut, khususnya berhubung persoalan sama ada rokok-rokok tersebut dalam transit dan bukan diimport ke dalam Malaysia merupakan terutamanya pegawai-pegawai KDRM dan pegawai-pegawai pihak berkuasa pelabuhan di Port Klang. Tambahan, defendan pertama telah disaman bersama empat defendan lain yang merupakan syarikat-syarikat Malaysia. Dalam perbicaraan, pegawai-pegawai kepada defendan lain tersebut mungkin perlu dipanggil sebagai saksi. Berdasarkan kesemua itu, ia kelihatan yang Malaysia adalah forum di mana tindakan dalam kes ini mempunyai kaitan yang sebenar dan substansial. Dalam keadaan tersebut circumstances 'it would be unjust to the plaintiff to confine it to remedies elsewhere'. Dalam apa keadaan pun, defendan pertama tidak membuktikan bahawa 'some other forum was more appropriate'. Dalam keadaan itu, Malaysia adalah forum yang sesuai untuk mengadili kes itu dan hakim Mahkamah Tinggi telah terkhilaf dalam memutuskan bahawa Mahkamah Tinggi Malaya bukan *forum conveniens* untuk membicarakan kes itu (lihat perenggan 55–58).]

Notes

For cases on setting aside in general, see 2(4) *Mallal's Digest* (5th Ed, 2015) paras 8307–8320.

Cases referred to

American Express Bank Ltd v Mohamad Toufic Al-Ozeir & Anor [1995] 1 CLJ 273, SC (refd)

Colt Industries Inc v Sarlie [1966] 1 All ER 673, QBD (refd)

Manta Line Inc v Sofianites and Midland Bank plc [1984] 1 Lloyd's Rep 14, CA (refd)

MatchPlan (M) Sdn Bhd & Anor v William D Sinrich & Anor [2004] 2 MLJ 424; [2004] 1 CLJ 810, CA (refd)
New Link Consultants Ltd v Air China and others [2004] HKCU 581, HC (refd)
Pang Po & Anor v Public Prosecutor [1962] 1 MLJ 294 (refd)
Petrodar Operating Co Ltd v Nam Fatt Corp Bhd & Anor [2012] 5 MLJ 445; [2012] 8 CLJ 311, CA (refd)
Petrodar Operating Co Ltd v Nam Fatt Corp Bhd (in liquidation) & Anor [2014] 6 MLJ 189; [2014] 1 CLJ 18, FC (refd)
Watkins v North American Land and Timber Co Ltd (1904) 20 TLR 534, HL (refd)

Legislation referred to

Courts of Judicature Act 1964 s 23, 23(1), (1)(a), (1)(b), (1)(c)
Customs Act 1967 ss 2, 45, 133(1)(a), 135(1)(g)
Custom Ordinance 1952 s 2
Rules of Court 2012 O 11, O 11 rr 1, O 12 rr 9, 10(1), (2), (4), (5)

Appeal from: Civil Appeal No W-02(IM)(IPCv)-806–04 of 2013 (Court of Appeal, Putrajaya)

T Gunaseelan (Nora Hayati Ismayatim with him) (Nora Hayati & Assoc) for the appellant.
Andrew Chiew Ean (Lim Zhi Jian and Muhammad Daniel with him) (Lee Hishammuddin Allen & Gledhill) for the respondents.

Ahmad Maarop FCJ:

[1] In this judgment, the parties will be referred to as they were in the High Court. This judgment concerns the appeal by the first defendant against the decision of the Court of Appeal made on 4 July 2013 reversing the decision of the High Court in favour of the first defendant.

[2] The background facts leading to the appeal before us are these. The plaintiff is a limited liability company with 'seat' at Quai Jeanrenaud 3, 2000 Neuchatel, Switzerland. The plaintiff is the registered proprietor and/or common law owner and/or beneficial owner in Malaysia of the MARLBORO and MARLBORO Roof Lines trademarks ('MARLBORO marks') for tobacco, raw or manufactured; and other tobacco products, which is valid and subsisting at all material times. The plaintiff has the exclusive right to use the MARLBORO marks in relation to cigarettes.

[3] The first defendant is a business with the last known address at No 51, Jaffar Waly Street, Cairo, Egypt.

[4] The second defendant is a company incorporated under the law of Malaysia with a registered office at 4391, Jalan Hang Choon Thian, Butterworth, Penang.

[5] The third defendant is a company incorporated under the law of Malaysia with a registered office at 771A, Jalan Teluk Batu 1, Batu 4, Off Jalan Kebun, Shah Alam, Selangor.

[6] The fourth defendant is a company incorporated under the law of Malaysia with a registered office at Tingkat 4, Bangunan Setia 8, 15, Lorong Dungun, Bukit Damansara, Kuala Lumpur.

[7] The fifth defendant is a company incorporated under the law of Malaysia with a registered office at 568–9–20, 9th Floor, Kompleks Mutiara, 3½ Mile, Jalan Ipoh, Kuala Lumpur.

[8] On 19 December 2011, the Royal Malaysia Customs ('RMC') detained and searched 12 containers which were on board the vessel CSAV Pyrennes berthed at the West Port, Klang. The RMC did so on the basis that although the containers were declared as Omani Marble, its investigation revealed that the containers contained cigarettes. Out of the 12 containers detained, RMC's search revealed that ten of them ('MALIMBO containers') contained MALIMBO branded cigarettes, and not Omani Marble as declared. The contents of these containers had been transhipped from Vietnam through Penang Port and were to be shipped from the Westport, Port Klang onwards to Egypt. The RMC seized the MALIMBO containers containing the MALIMBO cigarettes for investigation for an offence of fraudulent evasion or attempted fraudulent evasion of custom duty under s 135(1)(g) of the Customs Act 1967.

[9] The first defendant was the consignor and/or owner and/or the beneficial owner of the MALIMBO cigarettes and/or the MALIMBO containers and had made a claim for the release of the MALIMBO containers.

[10] The second defendant was the consignee of MALIMBO containers, and had also represented itself to be fully authorised to take all actions necessary in aspect of the MALIMBO containers. It had made a claim for the release of those containers.

[11] The third defendant had a temporary cigarette import licence and is the consignee of the MALIMBO containers from Penang Port to Port Klang and/or from Port Klang to Egypt and/or from Penang Port to Egypt. The third defendant was due to ship and/or forward the MALIMBO containers to Egypt from Malaysia.

[12] The fourth defendant was the shipping agent of the MALIMBO containers from Vietnam to Penang and/or from Penang to Port Klang.

[13] The fifth defendant was the shipping agent of the MALIMBO containers from Penang to Port Klang and/or due from Port Klang to Egypt.

[14] Pursuant to its investigation, the RMC offered a compound of RM30,000 for an offence of making false declaration under s 133(1)(a) of the Customs Act 1967. The compound was paid by the first and the second defendant.

[15] On 25 September 2012 the plaintiff filed the writ of summons and statement of claims against the first to the fifth defendants. On the same date, notice of application for an ex parte injunction was filed by the plaintiff. On 2 October 2012, the plaintiff obtained ex parte injunction against the defendants until the disposal of the inter partes application in the following terms:

(a) suatu injunksi interim ex-parte adalah dan dengan ini diberi untuk menyekat Defendan-defendan Pertama, Ke- 2, Ke-3, Ke-4 dan Ke-5 sama ada bertindak dengan sendirinya, pengarah-pengarah, pegawai-pegawai, pengganti dalam hakmilik ('successors in title') principal- principal atau agen-agen, sama ada bersesama atau berasingan atau mana-mana daripada mereka atau sebaliknya walaubagaimanapun sehingga pelupusan injunksi interim inter parte daripada melakukan perbuatan yang atau perkara-perkara berikut, iaitu:

(i) Menuntut dan/atau memohon untuk pelepasan dan/atau mengambil milikan dan/atau jagaan dan/atau kawalan dan/atau menerima penghantaran kontena-kontena MALIMBO;

(ii) Melanggar cap dagang berdaftar Plaintif seperti yang diperincikan dalam Jadual '1' Notis Permohonan;

(iii) Mengelirukan, atau cuba untuk mengelirukan, atau menyebabkan, membolehkan atau membantu lain-lain untuk mengelirukan perniagaannya, atau apa-apa perniagaan di mana mereka berminat atau yang berkenaan, dan untuk perniagaan Plaintif atau sebagai cawangan atau agensi, atau dalam apa-apa cara lain yang berkaitan atau dikaitkan dengan, perniagaan Plaintiff sama ada oleh penggunaan label MALIMBO yang dengannya mengelirukan sama atau selainnya tidak kira bagaimana jua sekalipun;

(iv) Menyertai dan/atau bersubahat dalam melanggar cap Plaintif MARLBORO dengan mengelirukan atau cuba untuk mengelirukan rokok-rokok menggunakan label MALIMBO (di mana serupa dengan atau hamper menyerupai cap Plaintif MARLBORO) atau suatu peniruan warna daripada mana-mana cap MARLBORO tersebut yang berkaitan dengan rokok-rokok

dengan menyertai/bersubahat dalam menjual atau menawar untuk menjual, pengimportan, pengeksportan, pecah pukal, pembungkusan, pembungkusan semula, penstoran, penstoran semula, transit, pengangkutan, pemunggahan, pemindahan, penggerakkan, pelabelan, pelabelan semula, agihan, agihan semula, tuntutan, mengambil hantaran atau jagaan atau pemilikan, mendapatkan pelepasan dan/atau dalam walau apa cara juapun ('import, export, bulk-breaking, packing, repacking, shipment, transhipment, loading, unloading, reloading, transloading, storing, transitional storing, transiting, transporting, transhipping, transferring, moving, labelling, relabeling, distributing, redistributing, claiming, taking delivery or custody or possession, obtaining the relase of and/or in anyway howsoever) daripada berurusan dalam urusan perniagaan rokok-rokok MALIMBO;

(b) suatu injunksi interim ex-parte adalah dengan dan dengan ini diberi untuk menyekat Defendan-defendan Pertama, Ke-2, Ke-3, Ke-4 dan Ke-5 sama ada bertindak dengan sendirinya, pengarah-pengarah, pegawai- pegawai, pengganti dalam hakmilik, principal-principal atau agen-agen, sama ada bersesama atau berasingan atau mana-mana daripada mereka atau selainnya walau apa cara juapun sehingga pelupusan injunksi interim inter parte atau sehingga apa-apa Perintah-perintah Mahkamah yang mulia ini daripada mengimport, mengilang, mengedar, menjual dan/atau menjual atau menawar untuk menjual dan/atau membolehkan dan/atau berurusan dalam urusan perniagaan atau membantu lain-lain untuk membuat sedemikian rokok- rokok MALIMBO yang akan melanggar injunksi-injunksi yang disebut di atas;

(c) Kos; dan

(d) Permohonan Notis Permohonan bertarikh 25 September 2012 ditetapkan untuk pendengaran secara inter parte pada 16 Oktober 2012.

[16] The court fixed 16 October 2012 as the return date. Cause papers were to be served on the defendants latest by 4 October 2012.

[17] The court's record on 16 October 2012 shows the following:

Plaintiff: Bahari Yeow and Lim Zhi Jian.

2nd and 3rd Defendant: not represented by solicitor.

Representative — Sankaran.

5th Defendant — Not represented.

Course papers have been served on all the Defendants (except 1st Defendant) — It does not appear to be a valid entity in Egypt.

4th Defendant: withdraw actions against them.

3rd Defendant has entered appearance. 2nd and 3rd

Defendant possibility to resolve.

Court: (i) Affidavit in reply to be filed latest by 23/10/12.

Affidavit in reply by the Plaintiff latest by 30/10/12. Parties to file written submission latest by 7/12/12. Hearing date on 9/11/12.

(ii) Ad interim injunction continues until disposal of the inter-parties.

[18] The court's record on 9 November 2012 shows the following: Bahari Yeow and Lim Zhi Jian appeared for the plaintiff. Nora Hayati appeared for the first defendant. Mr Raja appeared for the second and fifth defendants. *The first defendant: papers have not been served. The first defendant counsel received instruction to accept service*. Writ to be served today. The counsel appearing for the plaintiff also mentioned on behalf of the third and the fourth defendants. Learned counsel for the second and fifth defendants applied for short adjournment as he was appointed only two days ago. The plaintiff's counsel informed the court that the third defendant had no objection and asked for injunction against the third defendant. By consent the court granted interim injunction against the third defendant. The plaintiff withdrew the case against the fourth defendant. The court fixed 23 November 2012 for the inter parties hearing against the second and the fifth defendants. The court ordered the defendants to file affidavit in reply by 30 November 2012. Reply by the plaintiff was to be filed by 9 December 2012. The first defendant was to file written submission by 7 December 12. The court fixed 12 December 2012 for hearing of the case against the first defendant.

[19] The court's record on 23 November 2012 shows that Lim Zhi Jian appeared for the plaintiff. Nora Hayati and Maisarah (from Messrs Nora Hayati & Assoc) appeared for the first defendant. The counsel appearing for the plaintiff also mentioned on behalf of the solicitors for the second and the fifth defendants. The court was informed that the plaintiff and the second and the fifth defendants were in midst of negotiation for settlement. The court ordered the plaintiff and the second and the fifth defendants to file written submissions by 7 December 2012. The court then fixed 12 December 2012 as the final date for inter partes hearing of injunction application against the first, second and fifth defendants.

[20] The court's records next show that on 12 December 2012, CB Loh and Lim Zhi Jian appeared for the first defendant. The plaintiff's counsel who also mentioned on behalf of the solicitors for the second and fifth defendants informed the court that the matter against the second, third and fifth defendant had been settled in terms of prayers (a) and (b) of the statement of claim with no order as to costs. The court ordered that the suit against the second, third and fifth defendants had been disposed in accordance with the aforesaid terms. The court then dealt with the inter parties hearing against the

first defendant. The plaintiff's counsel informed the court that the summon in chambers was served on the first defendant on 12 November 2012. The first defendant's counsel informed the court that there was no reply to the plaintiff because the first defendant was disputing the jurisdiction and the forum convenience. The first defendant's counsel also informed the court that the first defendant had filed notice of application in encl 30 on 5 December 2012, which was served on the plaintiff on 6 December 2012. The plaintiff had not responded to the first defendant's application. She proposed that encl 30 be heard first before that inter parties injunction. The record of the proceeding then reveals the following:

> Plaintiff Counsel: Enclosure (30) is an abuse of the Ct process 7 should be struck off. The proper application-SIC under O 18 r 19. Ct can't set aside the writ without hearing the merit regardless the issue of service.
>
> On 9/12/12 before the court, Defendant Counsel informed Court that the law firm has instruction to accept service on behalf of the 1st Defendant pursuant to Order 10 r (1)(ii) a service can be done on the solicitor.
>
> O. 11(5) + O. 10(r2). The writ has been acknowledged receipt by the 1st Defendant law firm.
>
> Plaintiff Counsel refer to 2 authorities submitted to Court. Leave has not been obtained but 1st Def. solicitor as put on record may have instruction to accept service. Hence service has been done.
>
> Defendant Counsel: Admitted informing Court to accept service on behalf of the 1st Defendant.
>
> The writ & Statement of Claim is deemed accepted by the 1st Defendant since the 1st Defendant Counsel informed 9/11/12 Court that she has been authorised to accept service.
>
> Court: Enclosure (30) (a) (b) dismissed by this Court. Enclosure (30) (a) with Statement of Claim is struck off because the mode should be by way of O 18 r 19.
>
> Plaintiff Counsel: Ask for 3 weeks to file affidavit in reply because the Plaintiff is outside jurisdiction. Reply by 27/12/12.
>
> Defendant Counsel: To reply if any latest by 10/1/12 (because 1st Defendant is also outside jurisdiction).
>
> Court: (i) Hearing of Enclosure (30) to be heard first because the 1st Defendant is disputing the jurisdiction.
>
> (ii) Ad interim to be extended until disposal of Enclosure (30).
>
> (iii) Parties to file w/sub on Enclosure (30) latest by 16/1/12. Hearing date on 18/1/12.

[21] In encl (30) filed on 5 December 2012 pursuant to O 12 r 10(1), (2), (4), (5) of the Rules of the High Court 2012 ('the RHC 2012') and s 23 of the Courts of Judicature Act 1964 ('the CJA'), the first defendant prayed for the

following orders:

(a) an order setting aside the Writ of Summons and Statement of Claim dated 24-09-2012;

(b) an order that the Writ of Summons and Statement of Claim dated 24-09-2012 was not duly served on the 1st Defendant;

(c) discharge of any order giving leave to the Plaintiff to serve the notice of the writ and or the 1st Defendant out of jurisdiction;

(d) the protection and release of the ten (10) containers of MALIMBO cigarette, which the Plaintiff had seized or threatened to seize in this proceeding as a result of the injunction dated 2-10-2012 and ad interim injunction dated 16-10-2012;

(e) the discharge of injunction dated 02-10-2012 and ad interim order dated 16-10-2012 made to prevent any dealing with 10 containers of MALIMBO cigarettes/any other property of the 1st Defendant;

(f) a declaration that in the circumstances of the case the court has no jurisdiction over the 1st Defendant in respect of the subject matter of the claim or the relief or remedy sought in the action by the Plaintiff;

(g) such other relief as may be appropriate;

(h) pursuant to Order 12 r 10(2) of the Rules of Court 2012 on the ground that Malaysia is not the proper forum for this dispute and as such the whole of this proceedings should be stayed and all injunction dated 02-10-2012 including ad interim injunction dated 16-10-2012 should be set aside;

(i) Such and further relief as this honourable court deem fit and appropriate;

(j) damages; and

(k) cost equivalent to USD60,000.00.

[22] On 8 March 2013, the High Court allowed the application in encl 30 and made the following orders:

(a) the Writ of Summons dated 24.9.2012 against the 1st Defendant be set aside;

(b) the protection and release of the ten (10) containers of MALIMBO cigarettes, held by Royal Malaysian Customs as result of the Injunction dated 2.10.2012 and ad interim injunction dated 16.10.2012;

(c) the discharge of injunction dated 2.10.2012 and ad interim order dated 16.10.2012 against the 1st Defendant made to prevent any dealing with ten (10) containers of MALIMBO cigarettes any other property of the 1st Defendant;

(d) a declaration that in the circumstances of the case the Court has no jurisdiction over the 1st Defendant in respect of the subject matter of the claim or the relief or remedy sought in the action by the Plaintiff;

(e) pursuant to Order 12 r 10(2) of the Rules of Court 2012 on the ground that Malaysia is not the proper forum for this dispute; and

(f) cost of RM4,000.00.

[23] The plaintiff appealed to the Court of Appeal which on 19 April 2013 reversed the decision of the High Court. The first defendant's application for leave to appeal (against the aforesaid decision of the Court of Appeal) was allowed by this court on the following questions of law:

(i) Whether a foreign defendant, who not having been served with the writ and an ex parte order of injunction obtained by a foreign Plaintiff, after having knowledge of the same, accepted service of the writ through a Malaysian Solicitor for the purposes of setting aside the Writ and Injunction waived its right to dispute the jurisdiction of the court pursuant to Order 12 rule 10 (1) and rule (2) of the Rules of Court 2012 when the Solicitors entered an appearance pursuant to Order 12 r 9 of the Rules of Court 2012.

(ii) Whether a foreign Defendant is precluded from challenging jurisdiction and forum conveniens pursuant to Order 12 r 10(1) and r (2) of the Rules of Court 2012 after the foreign Defendant has accepted service of the writ and the ex parte injunction through its Malaysian Solicitors who entered an appearance on its behalf pursuant to Order 12 r 9 of the Rules of Court 2012.

(iii) Whether foreign Defendant who applies to set aside a writ and an ex parte injunction must do so pursuant to Order 18 r 19 of the Rules of Court 2012 as opposed to Order 12 r 10(1) of the Rules of Court 2012.

(iv) Whether a foreign Plaintiff who sued a foreign defendant in Malaysia, is obliged to apply to the Court to serve the writ out of jurisdiction pursuant Order 11 r 1 Rules of Court 2012 within one month from the date of issuance of the Writ, thereby enabling it (the foreign Plaintiff) to comply with Order 10 r 1 Rules of Court 2012.

SUBMISSION OF THE FIRST DEFENDANT

[24] The thrust of submission for the first defendant is as follows. The plaintiff had obtained an injunction against the first defendant. The first defendant came to know about the injunction. It appointed a solicitor in Malaysia. The solicitor accepted the writ in Malaysia and appeared in the High Court. The first defendant then filed the application in encl 30, pursuant to O 12 r 10(1) of the RHC 2012 seeking for court orders, amongst others, to set aside the writ, the release of the MALIMBO cigarettes, the discharge of injunction to prevent the dealing in ten containers of MALIMBO cigarettes,

and a declaration that in the circumstances of the case the High Court has no jurisdiction over the first defendant in respect of the subject matter of the claim. Learned counsel contended under O 12 r 9 of the RHC 2012, appearance by the first defendant in the action did not constitute a waiver of irregularity provided thereunder. Learned counsel contended that the first defendant was 'forced' to come to Malaysia because of the injunction. The acceptance of the service of the writ was for the purpose of challenging the jurisdiction of the court. Thus, he argued there was no submission by the first defendant to the jurisdiction of the court in Malaysia. In support of his argument that the first defendant was 'forced' to come to Malaysia, learned counsel relied on certain passage in the speech of Lord Davey in the House of Lord case of *Watkins v North American Land and Timber Co Ltd* (1904) 20 TLR 534 which was referred to in *Colt Industries Inc v Sarlie* [1966] 1 All ER 673. It was also contended by learned counsel that the court could only obtain jurisdiction if leave to serve the writ outside jurisdiction had been granted by the court under O 11 r 1 of the RHC 2012. Since in this case no leave as such was obtained, the Court had no jurisdiction to deal with the action. In support of his submission learned counsel relied on the Supreme Court case of *American Express Bank Ltd v Mohamad Toufic Al-Ozeir & Anor* [1995] 1 CLJ 273.

[25] Further, it was submitted by learned counsel that Malaysia was not the forum convenience to adjudicate the matter.

THE PLAINTIFF'S SUBMISSION

[26] In reply, the substance of the submission of the learned counsel for the plaintiff is that the court had jurisdiction to deal with the matter. He relied on two grounds. First, he submitted that the plaintiff's action was based on infringement of the plaintiff's MARLBORO trademark and passing off in Malaysia. It was not disputed that the ten MALIMBO containers containing the alleged infringing products, namely, the MALIMBO cigarettes were searched, seized, and detained by the Royal Malaysia Customs and Excise in Malaysia. Thus, it was contended that since the cause of action and the facts on which the proceedings were based were situated in Malaysia, s 23(1)(a) and/or (b) of the CJA conferred jurisdiction on Malaysian Court to deal with the matter. In support of that submission learned counsel relied on *MatchPlan (M) Sdn Bhd & Anor v William D Sinrich & Anor* [2004] 2 MLJ 424; [2004] 1 CLJ 810 and *Petrodar Operating Co Ltd v Nam Fatt Corp Bhd & Anor* [2012] 5 MLJ 445; [2012] 8 CLJ 311 (CA). Secondly, learned counsel contended that in this case, the first defendant had appointed Malaysia solicitors to accept service of the writ in Malaysia, and that the latter had appeared in court and accepted service without any qualification or reservation that the acceptance was for the purpose of challenging jurisdiction. Thus, it was argued that the first defendant had submitted to the jurisdiction of the Malaysian Court. He relied on, among

others, *Manta Line Inc v Sofianites and Midland Bank plc* [1984] 1 Lloyd's Rep 14 and *New Link Consultants Ltd v Air China and others* [2004] HKCU 581.

DECISION OF THIS COURT

[27] The issue before the court is whether the High Court in Malaysia had jurisdiction to deal with the action instituted by the plaintiff. The learned judge in the High Court held that the plaintiff did not apply for leave to serve notice of the writ out of jurisdiction under O 11 r 1 of the RHC. According to her, this non-compliance was fatal to the plaintiff's case because the first defendant was a foreign entity and that the High Court had no jurisdiction over the first defendant unless the leave of court had been applied for and granted, or the first defendant had submitted to the High Court's jurisdiction. In other words, according to her, unless leave had been applied for and granted by the High Court or the first defendant had submitted to the High Court jurisdiction, the High Court had no jurisdiction to deal with the matter. This is clear from her judgment when she said:

> Service out of jurisdiction
>
> 12. *It is not disputed that the plaintiff did not apply for leave to serve a notice of the Writ out of jurisdiction pursuant to O 11 r 1 of the RC. This noncompliance was fatal to the plaintiff's case against the defendant seeing that the first defendant is an Egyptian entity and this court has no jurisdiction over first defendant unless the leave of court has been applied for and granted or the first defendant has submitted to this court's jurisdiction*. This was so decided in the Supreme Court case *American Express Bank Ltd v Mohamad Toufic Al-Ozeir & Anor* [1995] 1 CLJ 273 where Peh Swee Chin SCJ at pp 279–280 ruled as follows:
>
> > In a case like the present one, involving some foreign elements, the question that normally first of all arises, is whether our courts have jurisdiction ie. power to deal with the case. At common law, it would mean that a Malaysian Court would have jurisdiction over a foreign defendant, if he is present in Malaysia. If he is not present in Malaysia, the Malaysian Court would still have jurisdiction, if the foreign defendant has submitted to jurisdiction, ie he has submitted to being sued in Malaysia.
> >
> > If neither such a defendant can be served in this country, because he is not present here nor has he submitted to jurisdiction, then the Malaysian Courts can assume statutorily, such jurisdiction over the foreign defendant under O 11 r 1 of the Rules of the High Court 1980, ... on the foreign defendant, as the conferment of such jurisdiction is implicit in connection with the granting of leave by the High Court for service out of jurisdiction etc. There is no need to go further in this case by referring to the relevant provisions of the Courts of Judicature Act 1964 etc for source or origin of such statutory jurisdiction ...

[28] With respect, for reason which we will give in a moment, we are unable to agree with her. It is not disputed that O 11 of the RHC does confer jurisdiction on the High Court and that the conferment of such jurisdiction is

implicit in connection with the granting of leave by the High Court for service out of jurisdiction (*American Express Bank Ltd*). However, O 11 of the RHC is not the only source which confers jurisdiction on the High Court. It is settled law that s 23(1) of the CJA also confers extra-territorial jurisdiction on the High Court, independently of O 11 of the RHC. Indeed, in cases where s 23 of the CJA applies, O 11 r 1 of the RHC becomes a mere procedural formality to enable the plaintiff to effect service abroad. The position of s 23(1) of the CJA and O 11 of the RHC in the context of conferment of extra-territorial jurisdiction of the High Court was explained in the recent judgment of the Federal Court in *Petrodar Operating Co Ltd v Nam Fatt Corp Bhd (in liquidation) & Anor* [2014] 6 MLJ 189; [2014] 1 CLJ 18, where Raus Sharif PCA delivering the judgment of the court said at pp 198–199 (MLJ); pp 35–36 (CLJ):

> We have anxiously deliberated on this issue and with respect we find that the first defendant's submission on this point is misconceived. The then Supreme Court case of *Malayan Banking Berhad v International Tin Council and another appeal* [1989] 3 MLJ 286; [1989] 2 CLJ 961; [1989] 1 CLJ Rep 87 in considering whether s 23 of the CJA confers extra-territorial jurisdiction had clearly highlighted that O 11 of the RHC is clothed with the same powers. His Lordship Mohd Azmi SCJ in delivering the judgment of the court held that:
>
> > Apart from O 11 r 1 of the Rules of the High Court 1980, s 23(1)(b) of the Courts of Judicature Act 1964 provides extraterritorial jurisdiction to the High Court in cases where oversea foreigners are sued as co-defendants ...
>
> From the above quoted passage, it is clear that the then Supreme Court acknowledged the fact that O 11 of the RHC does confer jurisdiction. His Lordship Gopal Sri Ram JCA (as he then was) in the case of *MatchPlan (M) Sdn Bhd & Anor v William D Sinrich & Anor* [2004] 2 MLJ 424; [2004] 1 CLJ 810 in referring to the then Supreme Court case of then *Malayan Banking Bhd* took pains to set out how O 11 RHC and s 23 of the CJA are to be construed. His Lordship has this to say:
>
> > Once the court is seized of extra-territorial jurisdiction by virtue of s 23(1) of the CJA, O 11 r 1 ceases to be of jurisdictional relevance. The decision in *Malayan Banking Berhad v International Tin Council* make it plain that O 11 r 1 assumes jurisdictional importance only in cases falling outside the scope of s 23(1). Accordingly, in cases where s 23(1) applies, O 11 r 1 becomes a mere procedural formality to enable a plaintiff to effect service abroad. In the present case, if the plaintiffs are right in their argument on the facts, then this is a case that falls both under s 23(1)(a) and (c) of the Courts of Judicature Act as well as under para (h) of O 11 r 1 which empowers the court to grant leave to a plaintiff to serve a writ out of jurisdiction 'if the action begun by the writ is founded on a tort committed within the jurisdiction'. So it does not really matter which of these provisions is relied upon to found jurisdiction in this case
>
> We see no necessity to regurgitate what had been so admirably explained by His Lordship Gopal Sri Ram in the case of *MatchPlan Malaysia*. As such, premised on the decision of *Malayan Banking Bhd* and *MatchPlan Malaysia* we are of the

considered view that O 11 of the RHC does not only confers jurisdiction but that it stands independently on its own and is not predicated upon, s 23 of the CJA 1964.

[29] In *MatchPlan (M) Sdn & Anor* which was approved in *Petrodar*, Gopal Sri Ram JCA (as he then was) speaking for the Court of Appeal said:

> In Malaysia, the High Court is seised of jurisdiction over a dispute in any of the following three cases:
>
> (i) where the defendant is served with the writ or other originating process within the jurisdiction; or
>
> (ii) where any of the conditions set out in s 23 of the Courts of Judicature Act 1964 are satisfied; or
>
> (iii) where a plaintiff is able to obtain leave of court to serve a defendant who is outside the jurisdiction of the court pursuant to RHC O 11.
>
> At common law, jurisdiction is founded on personal service on a defendant present within the jurisdiction. It is of no moment that the defendant's presence is transient: *Carrick v Hancock* [1895] 12 TLR 59; *Razelos v Razelos (No 2)* [1970] 1 WLR 392. Personal service here refers to one or more of the methods of service specified by RHC O 10 read with O 62.
>
> *It is now settled by binding authority that the High Court may exercise jurisdiction over a non-resident defendant pursuant to s 23(1) of the Courts of Judicature Act 1964*: *Malayan Banking Berhad v International Tin Council and another appeal* [1989] 3 MLJ 286; [1989] 2 CLJ 961; [1989] 1 CLJ Rep 87. The relevant part of the section reads as follows:
>
> > 23(1) Subject to the limitations contained in art 128 of the Constitution every High Court shall have jurisdiction to try all civil proceedings where:
> >
> > (a) the cause of action arose, or
> >
> > (b) the defendant or one of several defendants resides or has his place of business, or
> >
> > (c) the facts on which the proceedings are based exist or are alleged to have occurred, or
> >
> > (d) any land the ownership of which is disputed is situated, within the local jurisdiction of the Court ...
>
> In *Malayan Banking Berhad v International Tin Council and another appeal*, it was held (per Mohd Azmi SCJ) that in Malaysia service is not solely the foundation of jurisdiction of the High Court and that apart from O 11 r 1, *s 23(1)(b) of the Courts of Judicature Act 1964 confers extra-territorial jurisdiction on the High Court in cases falling within the section*. In that case, the facts fell within s 23(1)(b). In the present case, the relevant provisions are both paras. (b) and (c) of s 23(1). In other words, for the appellants to succeed in the instant appeal they must show one of two things. Either that the tort of libel of which they complain was committed within the jurisdiction. Or, that the facts on which their action in tort is based are alleged to

have occurred within the High Court's jurisdiction. If they demonstrate either of these things, then they would ex debito justitae entitled to have their writ served pursuant to RHC O 11 r 1. *Once the court is seised of extra-territorial jurisdiction by virtue of s 23(1), O 11 r 1 ceases to be of jurisdictional relevance. The decision in Malayan Banking Berhad v International Tin Council and another appeal makes it plain that O 11 r 1 assumes jurisdictional importance only in cases falling outside the scope of s 23(1). Accordingly, in cases where s 23(1) applies, O 11 r 1 becomes a mere procedural formality to enable a plaintiff to effect service abroad.*

In the present case, if the plaintiffs are right in their argument on the facts, then this is a case that falls both under s 23(1)(a) and (c) of the Courts of Judicature Act as well as under para (h) of O 11 r 1 which empowers the court to grant leave to a plaintiff to serve a writ out of jurisdiction 'if the action begun by the writ is founded on a tort committed within the jurisdiction'. So it does not really matter which of these provisions is relied upon to found jurisdiction in this case.

[30] In our view, therefore, in the present case, the learned judge of the High Court erred in failing to consider whether s 23(1) of the CJA conferred jurisdiction on the High Court to deal with action filed by the plaintiff. Section 23(1) of the CJA provides:

(1) Subject to the limitations contained in Article 128 of the Constitution the High court shall have jurisdiction to try all civil proceedings where —

(a) the cause of action arose;

(b) the defendant or one of several defendants resides or has his place of business;

(c) the facts on which the proceedings are based exist or are alleged to have occurred; or

(d) any land the ownership of which is disputed is situated,

within the local jurisdiction of the Court and notwithstanding anything contained in this section in any case where all parties consent in writing within the local jurisdiction of the other High Court.

[31] Does s 23(1) of the CJA apply in this case? In determining the question whether in this case the High Court has jurisdiction under that section, the allegations by the plaintiff in statement of claim must be assumed to be true. Explaining this the Court of Appeal in *MatchPlan* said:

It is elementary law that for the purpose of determining whether the High Court at Kuala Lumpur has jurisdiction over the defendants, the allegations made by the plaintiffs in their statement of claim must be assumed to be true. Thus, in *Vanity Fair Mills Inc v T Eaton Co Ltd* [1956] 25 CPR 6 Waterman J observed as follows:

Although the parties presented many affidavits, depositions, and exhibits for the consideration of the district court, there has been no trial of facts, and the complaint is unanswered. *On an appeal from a judgment granting a motion to dismiss a complaint for lack of federal jurisdiction, we must assume the truth of the*

facts stated in the complaint. (Emphasis added.)

See also *Rediffusion (Hong Kong) Ltd v A-G of Hong Kong* [1970] AC 1136 per Lord Diplock.

So too here. The merits of the plaintiffs' claim that there was publication are yet to be tried. The mere ipse dixit of the defendant that there was no publication cannot be determinative of the matter. At the risk of repetition, it needs to be said that *at the point of determining whether the tort of defamation was committed within the jurisdiction, all the allegations in the statement of claim must be presumed to be true*. At that stage there is no preliminary inquiry through a trial on affidavits as to whether the defamatory material was indeed published within the jurisdiction. Were it otherwise, there is a risk that applications to discharge an order granting leave under O 11 r 1 may turn out to be mini trials without determining the suit on its merits.

...

Whether publication had taken place is a jury question, that is to say, it is an issue of fact. So, in *Gaskin v Retail Credit Co* [1965] SCR 297, Ritchie J who delivered the judgment on behalf of the majority of the Canadian Supreme Court said:

> There can be no doubt that proof of publication is an essential element in an action for libel and that the burden of proving this element lies upon the plaintiff. The question of whether or not that burden has been discharged is, in my opinion, one which should be left for the jury to determine, if there is any evidence from which it might reasonably be concluded to be more probable than not that a defamatory statement concerning the plaintiff has been made known to a third party or parties.

Accordingly, *the question as to whether there was publication, and to whom, is a matter that requires to be resolved at the trial after hearing all relevant viva voce evidence*.

Now, it is true that the statement of claim in the present case relies on publication only to the two persons within the jurisdiction. But this is not fatal to the issue at hand. For, it is open to the plaintiffs at any time, during or after case management, to amend their statement of claim and allege a wider publication in the sense already discussed. Further, *there is no duty on the plaintiffs to adduce evidence at this stage to prove actual publication. That, on the authorities was a matter to be left for the trial proper*.

[32] On s 23(1)(c) of the CJA, the Court of Appeal said that under that section there is no burden on the plaintiffs to prove to a conviction that the facts on which their action is based exist within the jurisdiction of the High Court. It is enough if those facts are alleged to have occurred within the court's jurisdiction. This is what the court said:

> That brings you to s 23(1)(c) of the Courts of Judicature Act. That provision has already been referred to earlier in this judgment. Under this section there is no burden on the plaintiffs to prove to a conviction that the facts on which their action is based (that is to say the action for defamation) exist within the jurisdiction of the High Court. It is enough if those facts are alleged to have occurred within the court's jurisdiction. That is what the latter part of s 23(1)(c) says. Nothing more; nothing

less. Consequently, the plaintiffs are under no duty to adduce positive evidence, as suggested by learned counsel for the defendants, to disprove the defendants' contention that there was no publication. The plaintiffs have alleged that the defamatory statement was published to two persons within the jurisdiction. That is sufficient to bring them within the purview of s 23(1)(c).

[33] Reverting to the present case, the statement of claim discloses that the plaintiff's action is based principally on the following causes of action — trademark infringement and passing off. If either of these causes of actions arose within Malaysia, then under s 23(1)(a) of the CJA Malaysia Court shall have jurisdiction to deal with the action. In addition to or alternatively, if the facts on which the proceedings are based in this case, occurred or are alleged to have occurred within Malaysia, then pursuant to s 23(1)(c) of the CJA, the Malaysia Court shall have jurisdiction to try the proceedings. On the cause of action of trademark infringement, the plaintiff avers that it is the registrered proprietor in Malaysia of the MARLBORO, MARLBORO Roof Device and MARLBORO Roof like trademarks ('MARLBORO marks'),

for tobacco, raw or manufactured; tobacco products, including cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco, kretek; tobacco substitutes (not for medical purpose); smokers' articles, including cigarette paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays, pipes, pocket apparatus for rolling cigarettes, lighters; matches all in Class 32 which is valid and subsisting at all material times. The plaintiff claims that it has the exclusive right to use the MARLBORO marks in relation to cigarettes.

[34] The plaintiff claims that the defendants have, without authority and/or consent and/or licence of the plaintiff *used* the 'MALIMBO' label and/or

which is identical with the MARLBORO marks and/or so nearly resemble the MARLBORO marks as is likely to deceive and/or cause confusion in the course of trade in relation to cigarettes. Thus, the plaintiff claims that the first defendant and/or the second defendant and/or the third defendant and/or the fourth defendant and/or the fifth defendant has/have infringed the plaintiff's MARLBORO marks.

[35] In respect of passing off the plaintiff's case is as follows:

(a) its predecessor has started using the MARLBORO trademarks in Malaysia since 1956. The volume of sales from the MARLBORO cigarettes in Malaysia is substantial;

(b) the MARLBORO marks are universally understood by the relevant trade and public to indicate that of the goods of the plaintiff and no others;

(c) as a consequence of the long and extensive use of the MARLBORO marks by the plaintiff and its predecessor in title, the plaintiff has acquired a strong and valuable goodwill and reputation amongst members of the relevant and public in the MARLBORO marks for cigarettes;

(d) by virtue of the aforesaid, at all material times, the plaintiff is the common law proprietor and claim proprietary rights over the MARLBORO marks in relation to cigarettes in Malaysia;

(e) thus, the plaintiff has obtained a strong and valuable goodwill and reputation amongst members of the public, including operators of retail outlets, in relation to the MARLBORO brand cigarettes and/or MARLBORO marks in Malaysia as indicating:

(i) cigarettes connected or associated with the plaintiff;

(ii) cigarettes in relation to which the MARLBORO marks have been

used with the license, authority, permission or approval of the plaintiff; and/or

(iii) cigarettes which maintain a consistent standard of high quality;

(f) from a date prior to the issue of the writ, the defendants *have* without the license, authority, permission or approval of the plaintiff, *used* the MALIMBO label for their cigarettes with identical get-up and/or representation as the MARLBORO marks;

(g) the acts of the defendants, including the *unauthorised use of the MALIMBO label*, which is identical with the MARLBORO marks and/or so nearly resemble the MARLBORO marks as is likely to deceive and/or cause confusion in the course of the trade in relation to cigarettes, constitute a misrepsentation and/or are calculated to mislead and deceive and are likely to mislead and deceive members of the public operators of retail outlets and/or prospective or ultimate customers;

(h) as a result of the first defendant's and/or the second defendant's and/or the third defendant's and/or fourth defendant's and/or fifth defendant's action, the plaintiff has suffered substantial damages and there is a real danger that the defendants may continue to act in such manner that will cause real likelihood of damages to the plaintiff; and

(i) by their said acts, the defendants have passed off, is continuing to pass off and/or threaten to pass off, as follows:

(i) the MALIMBO cigarettes as products of the plaintiff;

(ii) that the defendants have been authorised by the plaintiff *to import the MALIMBO* cigarettes;

(iii) that the defendant have the license, authority, permission or approval of the plaintiff to apply the MALIMBO label in relation to the MALIMBO cigarettes;

(iv) that the defendants' business is the business of and/or approved by and/or connected, associated or affiliated with the plaintiff when it is not; and/or

(v) that the MALIMBO product and/or cigarettes is approved by and/or connected, associated or affiliated with the plaintiff's MARLBORO brand when it is not.

[36] The plaintiff claims that the aforesaid acts of the defendants will injure and have injured the reputation and goodwill of the plaintiff, and defendants will, unless restrained by the court, continue to do so.

[37] The proceedings in the present case with the aforesaid causes of action are based on the following facts. In December 2011, the RMC detained and searched 12 containers which were on board the vessel CSAV Pyrennes berthed at Port Klang. The RMC did so on the basis that although the containers were declared to contain 'Omani Marble', its investigation revealed that the containers contained cigarettes. Out of the 12 containers detained, the RMC's search revealed that ten of them (MALIMBO containers) contained 'MALIMBO' branded cigarettes and not 'Omani Marble' as declared. A representation of 'MALIMBO' brand is as follows:

and as seen depicted during RMC's seizure.

[38] The first defendant is the consignor and/or the owner and/or the beneficial owner of the 'MALIMBO' cigarettes and/or the MALIMBO containers, and had made a claim for the release of the MALIMBO containers.

[39] The second defendant is a company incorporated under Malaysian law with a registered office at 4391, Jalan Hang Choon Thian, Butterworth, Penang. The second defendant was the consignee of the MALIMBO containers and has also represented itself to be fully authorised to take all actions necessary in respect of the MALIMBO containers. It had made a claim for the release of those containers.

[40] The third defendant is a company incorporated under Malaysia law with a registered office at No 771A, Jalan Teluk Batu 1, Batu 4, Shah Alam, Selangor. The third defendant had a temporary cigarette import licence and was the consignee of the MALIMBO containers from Penang Port to Port Klang and/or from Port Klang to Egypt and/or from Penang Port to Egypt. The third defendant was due to ship and/or forward the MALIMBO containers to Egypt from Malaysia.

[41] The fourth defendant is a company incorporated under Malaysian law with a registered office at Bukit Damansara, Kuala Lumpur. The fourth defendant was the shipping agent of the MALIMBO containers from Vietnam to Penang and/or from Penang to Port Klang.

[42] The fifth defendant is a company incorporated under Malaysian law with a registered office at Jalan Ipoh, Kuala Lumpur. The fifth defendant was the shipping agent of the MALIMBO containers from Penang to Port Klang and/or due from Port Klang to Egypt.

[43] Pursuant to its investigation, the RMC offered a compound of RM30,000 for an offence of making false declaration under s 133(1)(a) of the Customs Act 1967. The compound was paid by the first and the second defendants.

[44] It is clear that except for the first defendant, the other four defendants have their places of business within Malaysia. It is also clear that the facts as aforesaid upon which the proceedings are based exist or are alleged to have occurred within Malaysian.

[45] In the affidavit filed in support of encl 30, it was alleged on behalf of the first defendant as follows. The MALIMBO containers containing MALIMBO cigarettes and two containers of 'Omani Marble' were originally shipped on to the first defendant from Vietnam but were to be transshipped from either Penang or Port Klang to the first defendant in Egypt. Unfortunately, all the 12 containers were described as 'Marble' by the person or persons responsible for making the requisite declaration in the transshipment forms, and this caused the RMC to unload the goods from the ship which was about to sail. The RMC then seized the goods for the offence of making false declaration pursuant to s 133(1)(a) of the Customs Act 1967. Because there was considerable delay by the person or person responsible for the false declaration, the first defendant instructed Messrs Nora Hayati & Associates, Advocates and Solicitors to resolve the issues with the RMC which resulted in the matter being compounded in the sum of $30,000 which sum was paid by the first defendant through one Pasupathy Kanagasaly (the deponent of the first defendant's affidavit), and second defendant effected payment to the State Customs Director. It was also alleged that the RMC, which was about to release the goods to the second defendant for onward transmission to the first defendant, was prevented from doing so as it was served with the injunction dated 2 October 2012 obtained by the plaintiff. The first defendant also alleged that the brand name of MALIMBO cigarettes was registered in United Arab Emirates vide Trademark Registration Certificates No 41956, and cigarettes had been sold freely in the Middle East and some Northern African States as well as in Egypt itself, where the first defendant office was situated. A copy of

the purported certificate of registration of the said trademark and a translation thereof was exhibited as 'exh KP3'. The first defendant alleged that the first defendant had never ever intended that the MALIMBO cigarettes be sold and/or distributed in Malaysia or elsewhere in South East Asia as the ten MALIMBO containers containing MALIMBO cigarettes were at all times in transit. There was therefore no importation of the goods into Malaysia.

[46] The first defendant also alleged that:

(a) apart from United Arab Emirates, Lebanon has also registered MALIMBO vide Distinctive Mark Registration Certificate No 142276, a copy of which was exhibited as 'exh KP5'; and

(b) application for MALIMBO cigarettes in Egypt has been made, and the application was filed No 273547, and currently was in the hand of the attorney, RM Abou Naza International Trade Mark Patent Agents and Attorneys. A copy of the said RM Abou Naza's letter was exhibited as 'exh KP6'.

[47] In reply, in respect of the purported registration in 'exh KP3', in its affidavit in reply, the plaintiff said that 'exh KP3' was in respect of Arab Emirates, and not Egypt. The first defendant had not provided any trademark certificate for MALIMBO covering Egypt which the first defendant alleged to be the country where MALIMBO cigarettes (originally declared as marble) were to be transported.

[48] Regarding 'exh KP5' which the first defendant claimed to be a copy of the MALIMBO mark registration certificate in Lebanon, the plaintiff's reply is that the said exhibit indicates a purported application, not a registration as alleged.

[49] In respect of 'exh KP6', the plaintiff's reply is that the exhibit appeared to be a letter purported to be from a trademark agent in Dubai. There was no application attached. Moreover, the letter was not addressed to the first defendant and the latter was not noted in the letter.

[50] Thus, the thrust of the first defendant's case is that there was no importation of the MALIMBO containers containing the MALIMBO cigarettes into Malaysian, and that the goods were at all material times in transit. On the other hand, the plaintiff's case is that the MALIMBO cigarettes were not in transit and had been imported into Malaysia. It cannot be disputed that the MALIMBO containers containing the MALIMBO cigarettes were in Malaysia when the RMC detained and seized them. From the plaintiff's affidavit evidence, the seizure by the RMC appeared to be pursuant to its enforcement team's surveillance for about two weeks, and that the case was

investigated for one of the smuggling offences under s 135(1)(g) of the Customs Act 1967 — an offence of knowingly concerned in any fraudulent evasion or attempt at fraudulent evasion of customs duty. It is not disputed that the RMC then offered a compound for an offence of making a false custom declaration under s 133(1)(a) of the Customs Act 1967, and that the first defendant accepted the offer and paid a compound of $30,000. This fact is very material in the determination of the crucial question whether the MALIMBO cigarettes had been imported into Malaysia? Under s 2 of the Customs Act 1967, 'import by sea includes importation in any manner or by any means by sea, and includes, in particular, importation through the sea by means of a pipeline'. The same section defines 'import' as follows:

> 'import' with its grammatical variations and cognate expressions means to bring or cause to be brought into Malaysia by land, sea or air:
>
> Provided that goods *bona fide in transit*, including goods for transshipment, *shall not*, for the purpose of levy of customs duties, *be deemed to be imported unless they are or become uncustomed goods*;

[51] In *Pang Po & Anor v Public Prosecutor* [1962] 1 MLJ 294, commenting on the definition of 'import' under s 2 of the Custom Ordinance 1952 (in pari materia with the definition of 'import' under the Customs Act 1967), Suffian J (as he then was) said:

> 'Import' means to bring into the Federation by sea, but according to the proviso to the definition of 'import', goods bone fide in transit shall not be deemed to be imported. This is however subject to the important qualification 'unless they are or become *uncustomed goods*' in which event they become *imported goods*.'

[52] In the present case, the MALIMBO cigarettes were brought into Malaysia by sea. But then, goods in transit shall not be deemed to be imported unless the goods becomes uncustomed goods. How do goods become uncustomed goods under the Customs Act 1967? Under s 2 of the Customs Act 1967, *'uncustomed goods' means goods in respect of which a breach of the provision of this Act or of any subsidiary legislation made thereunder has been committed*. In the present case, the first defendant had paid a compound offered by the RMC for an offence of making false custom declaration under s 133(1)(a) of the Customs Act 1967, in respect of the MALIMBO cigarettes. If that is accepted as a breach of the provisions of the Customs Act 1967, then applying the definition of 'uncustomed goods' under s 2 of the Customs Act 1967, the MALIMBO cigarettes had become uncustomed goods, and consequently therefore, they were no longer goods bona fide in transit, but were imported goods. Further and/or in the alternative, the goods may be deemed to be uncustomed goods under s 45 of the Customs Act 1967 which provides:

> If goods, other than bona fide ship's stores, are found by a proper officer of customs in any vessel in territorial waters and such goods are not correctly accounted for in

A the manifest or other documents which ought to be aboard such vessel, then such goods shall be deemed to be uncustomed goods and shall be liable to seizure.

B **[53]** In the present case, if it is proven that the false custom declaration involved the goods not having been being correctly accounted for in the ship's manifest or other documents which ought to be aboard the vessel, then the goods shall be deemed to be uncustomed goods, in which case under s 2 of the Act, the goods were imported goods. In other words, if either of the positions as aforesaid are established, then the MALIMBO cigarettes were not in transit, but were imported goods, in which case it would support the plaintiff's case of infringement of its trademark. We must however hasten to add that the questions whether the MALIMBO cigarettes were actually imported and not in transit, whether if the cigarettes had been imported (or even if they were indeed in transit) the first defendant *had*, without authority, *used* the MALIMBO mark in the course of trade, and whether the first defendant had used a mark which was identical with and/or nearly resemble the MARLBORO marks as was likely to deceive and/or cause confusion in the course of trade in relation to cigarettes, and whether the first defendant had infringed the plaintiff's MARLBORO mark are questions which are not suitable to be, and indeed need not be decided at the stage of challenge to jurisdiction as in this case. Those questions material to the infringement of trademark cause of action are matters to be resolved at the trial by the trial court after hearing all the relevant viva voce evidence. In our view, this discussion on the cause of action of infringement of trademarks alone, is sufficient to activate the provisions under s 23(1)(a) and/or s 23(1)(c) of the CJA for the purpose of determining whether the High Court is seised of jurisdiction to deal with the proceeding in this case. In addition, in the case there is another cause of action — passing off which is based on the same facts which we have alluded to. The question whether there was passing off as pleaded by the plaintiff is to be resolved by the trial court after all the evidence viva voce.

[54] Based on the aforesaid discussion, we find that, prima facie the facts of the present case come within the ambit of s 23(1)(a) and/or s 23(1)(c) of the CJA. Consequently, the High Court in Malaysia has jurisdiction to try the proceedings in this case.

[55] This brings us to the question relating to *forum conveniens/non conveniens*. The learned judge in the High Court ruled that Malaysia and the High Court here was not the *forum conveniens* to try the present case. With respect, for reasons which we will set out in a moment we are unable to agree with her. The principle governing the doctrine of *forum non conveniens* was restated in *Petrodar Operating Co Ltd v Nam Fatt* when this court said:

> [21] Next we move on to the issue of forum non conveniens. In discussing the issue of forum non conveniens one cannot escape from the reasoning's postulated in the

case of *American Express*, wherein the then Supreme Court was of the view that *forum non conveniens* refers to the suitability or appropriateness and not convenience itself. The fundamental principle governing this maxim is that whether there is some other tribunal, having competent jurisdiction, in which the case can be tried more suitably for the interest of all parties to meet the ends of justice. A good guide for court in deliberating on the issue of *forum non conveniens* was well set out in the foregoing passage of His Lordship Peh Swee Chin's judgment which is reproduced herein below as follows:

> In our view, where an application by a defendant for stay of proceedings is concerned, in applying the said doctrine, the defendant would have to satisfy the court that 'some other forum is more appropriate' per Lord Templeman in the *Spiliada*. Where on the other hand, leave to issue and serve out of jurisdiction a notice of writ of summons under O 11 r 1 of the RHC is involved then according to the reasoning of Lord Templeman, the plaintiff, (not the defendant, be it noted) would have to satisfy a Malaysian Court that, by comparison, that Malaysian Court is the most appropriate forum to try the action. Thus, it will be seen that in the instant case the burden lay on the bank customers, the plaintiffs to satisfy the High Court below that Malaysia was the most appropriate forum.
>
> Having regard to the reasoning of the learned Law Lords in the *Spiliada* and the learned joint article aforesaid, we are of the considered view that in all cases of either a defendant's application for stay of proceedings or a plaintiff's application for leave to serve out of jurisdiction under O 11 r 1 of RHC, or for setting aside such leave, it will be obligatory for a Malaysian Court to consider in any event, a most important factor ie, whether 'it would be unjust to the plaintiff to confine him to remedies elsewhere'. It is indispensable when a Malaysian Court considers all cases in connection with *forum non conveniens*.
>
> The most important factor described above does arise, of course, out of a great variety of factors that a Malaysian Court ought to consider in applying the said doctrine; the prominent one being that whether any particular forum is one with which the action has the most real and substantial connection. One can easily visualise a large number of factors which overlap with one another.

[22] In *American Express* there was an express clause in the agreement that parties chose the Singapore Courts for litigation. This is a point of considerable significance which His Lordship Peh Swee Chin took cognisance of and later held that: (emphasis added)

> We considered the relevant factors in this instant appeal. A very glaring factor in the instant appeal was the foreign jurisdiction clauses in both the said agreements as set out above by which the bank customers had chosen Singapore Courts for the litigation ie, expressly, in other words, the bank customers had submitted to the jurisdiction of the chosen Singapore Courts; and further both parties had chosen Singapore law as the law of their choice for the litigation, prospective or otherwise.
>
> It would be clear that, notwithstanding such clauses, a Malaysian Court ie, High Court below, could not be precluded simpliciter thereby from exercising the discretion, according to the doctrine of forum non conveniens, as to whether to

hear the instant case or not, please see Federal Court's case of *Globus Shipping & Trading Co (Pte) v Taiping Textile Bhd* [1976] 2 MLJ 154; [1976] 1 LNS 31.

[23] From the plain reading of His Lordship Peh Swee Chin's reasoning on the existence of such jurisdictional clause which sets out the manner in which parties would litigate in case of any dispute, we can safely conclude that notwithstanding the presence of such a clause the Malaysian court ie, the High Court below, could not be precluded simpliciter thereby from exercising the discretion, according to the doctrine of forum non conveniens, as to whether to hear the instant case or not. In *American Express* based on the facts and circumstances it was held that:

> ... except for the fact that the alleged fraudulent and misleading information or instructions from the foreign bank to the bank customers were received by the bank customers in Kuala Lumpur, all 127 foreign exchange transactions had taken place, outside Malaysia, in London, New York and Singapore and all the securities of the customers were deposited with the foreign bank in Singapore and London. The bank customers who were husband and wife, were residents in Malaysia; but the main protagonists from the foreign bank's camp were residents outside Malaysia, either in London, or Singapore. There were no peculiar difficulties which the bank customers would face apart from the inconvenience and expenses in crossing the causeway to Singapore which was more suitable as a forum. The bank customers, as plaintiffs, had plainly failed to satisfy the Court that the Malaysian Court was the most appropriate forum to try the action which they launched.

[24] It is clear from the above, the Supreme Court in *American Express* was satisfied based on the facts and circumstances which is peculiar to that case that it was much suitable for the case to be adjudicated in Singapore. Reverting back to the case at hand, it *therefore behoves us to consider whether Malaysia is the appropriate forum to adjudicate this matter*.

[56] Thus, the fundamental question which the court must consider is whether there is some other tribunal, having competent jurisdiction in which the case can be tried more suitably for the interests of all parties to meet the ends of justice. In our view, this is what the High Court failed to do in this case. In ruling that in the circumstances Malaysia and the High Court was not the *forum conveniens* to try the matter against the first defendant, the learned judge of the High Court held as follows:

> 16. It is common ground that the first defendant is an Egyptian entity and that MALIMBO cigarettes are sold by the first defendant and others all over the Middle East and North Africa, in particular in Egypt where the first defendant has its business. It is also common ground that the ten containers containing the MALIMBO cigarettes were in transit when these containers were seized by the RMC. MALIMBO cigarettes were never sold to the public in Malaysia. The RMC had ordered the goods to be exported to Egypt after the compound was paid by the first defendant.
>
> 17. The plaintiff had stated that it intends to take action in Egypt, countries in the Middle East and North Africa to protect its trademark in MARLBORO vis the sale

of MALIMBO cigarettes. At this point in time the status of the actions to be taken is not known (paras 22 and 36 affidavit in reply, encl 36).

18. The only link between the first defendant and the plaintiff in Malaysia is the presence of the ten containers of MALIMBO cigarettes which are in the custody of the RMC and ordered to be reexported to Egypt. In the circumstances I am of the view that Malaysia and this court is not the *forum conveniens* to try the matter vis the first defendant.

[57] The assertion that the first defendant is an Egyptian entity and that MALIMBO cigarettes were sold by the first defendant and others all over the Middle East and North Africa and that the plaintiff had stated that it intended to take action in Egypt, countries in the Middle East and North Africa to protect its MARLBORO trademarks against the sale of MALIMBO cigarettes, may properly be considered on the question of whether Malaysian Court has jurisdiction to try the matter. However, those circumstances are hardly relevant to the question whether Malaysian Court is the *forum conveniens* or otherwise to try the action. The other matter which appeared to weigh heavily in the learned judge's mind is her finding that it was common ground that the ten containers containing MALIMBO cigarettes were in transit when they were seized by the RMC. Firstly, it is not correct to say that the MALIMBO cigarettes were in transit was a common ground. Elsewhere in this judgment we have dealt at length on the question whether the cigarettes were in transit. No useful purpose would be served for us to repeat the same except to say that it was the first defendant who claimed in their affidavits that the cigarettes were in transit. This was denied by the plaintiff whose claims of infringement of its trademark and/or passing off was based on the fact that the cigarettes had been imported into Malaysia. This question of whether the cigarettes were in transit or had been imported was a matter relevant for the consideration of the question of jurisdiction. In any case, this crucial issue is to be resolved by the High Court, not at this stage, but in the trial of the case upon hearing all evidence viva voce. The learned judge observed that the only link between the first defendant and the plaintiff in Malaysia is the presence of the ten containers of the MALIMBO cigarettes which are in the custody of the RMC. The presence of the MALIMBO cigarettes in Malaysia in the custody of the RMC is not a stand-alone but a very important fact which is part of the series of material facts upon which the plaintiff's causes of action based. To recapitulate, the salient facts are these. The plaintiff is the registered proprietor in Malaysia of the MARLBORO marks, the vessel carrying the MALIMBO containers was berthed at Port Klang, the surveillance by RMC, the detention and search of the 12 containers on the basis that although the containers were declared to contain 'Omani Marble' RMC's investigation revealed that the containers cigarettes, out of 12 containers detained, the fact that RMC's searched revealed that ten of them contained MALIMBO branded cigarettes, and not 'Omani Marble' as declared, the representation of 'MALIMBO' brand is as seen depicted during the RMC's seizure (which the plaintiff claimed was identical

with its MARLBORO marks and/or so nearly resemble the MARLBORO marks as was likely to deceive and/or cause confusion in the course of trade in relation to cigarettes), the case was investigated for one of the smuggling offences under s 135(1)(g) of the Customs Act 1967 — an offence of knowingly concerned in any fraudulent evasion or attempt at fraudulent evasion of custom duty, the fact that the first defendant was the consignor and/or the owner and/or the beneficial owner of the MALIMBO cigarettes and/or containers and had made a claim for the release of the same, pursuant to its investigation, the fact that the RMC offered a compound of RM30,000 for an offence of making false declaration under s 133(1)(a) of the Custom Act 1967, and the fact that the compound was paid by the first and second defendants.

[58] The circumstances relating to the presence of the MALIMBO cigarettes in Malaysia as revealed by the aforesaid salient facts are governed by Malaysian law. Witnesses who will be able to provide the evidence on those facts which are central to the case, in particular with regards to question of whether the cigarettes were in transit as opposed to being imported into Malaysia as well their detention and seizure and the subsequent offer and payment of compound, and the related documents are primarily the officers at the RMC and officers of the port authorities at Port Klang. In addition, the first defendant was sued along with four other defendants which were Malaysian companies. The matter against the second, third and fifth defendant had been settled in terms of prayers (a) and (b) of the statement of claim. In the trial, officers of these other defendants may need to be called as witnesses. In the light of all these, it appears to us that Malaysia is the forum where the action in this case has the most real and substantial connection. In the circumstances 'it would be unjust to the Plaintiff to confine it to remedies elsewhere'. In any case, the first defendant, who, in its prayers, had also asked for the proceedings to be stayed, had not satisfied the court that 'some other forum is more appropriate'. In view of the foregoing we conclude that Malaysia is the appropriate forum to adjudicate the present case.

[59] What we have decided thus far is sufficient to dispose of this appeal. In the circumstances, we find it unnecessary to answer the questions of law on which leave to appeal in this case was granted.

CONCLUSION

[60] In the result, we dismiss the appeal with costs. The decision of the Court of Appeal is affirmed.

Appeal dismissed with costs.

Reported by Kohila Nesan